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Introduction to the changing nature of retirement

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Published in:
International Journal of Manpower

Publication date:
2010

Document Version
Publisher's PDF, also known as Version of record

[Link to publication in Tilburg University Research Portal](#)

Citation for published version (APA):
Shultz, K. S., & Henkens, C. J. I. M. (2010). Introduction to the changing nature of retirement: An international perspective. *International Journal of Manpower*, 31(3), 265-270.

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GUEST EDITORIAL

Introduction to the changing nature of retirement: an international perspective

Introduction to
the nature of
retirement

265

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Abstract

Purpose – The purpose of this overview is to provide a brief introduction to the topic of retirement, noting five key issues and directions for future research which are addressed collectively in the compilation of papers that follow: the changing nature of retirement; the need for an interdisciplinary perspective on retirement; the need to look at both individual and organizational perspectives; international variations in contexts and processes; and the need for a broad methodological perspective. The authors then outline and summarize the seven studies included in this special issue, as well as acknowledge those who were instrumental in bringing this special issue to fruition.

Design/methodology/approach – The *International Journal of Manpower's* usual double blind review process was used to select the seven papers included in this special issue. The papers themselves represent a wide variety of designs, methodologies, and analytic strategies used to study retirement. In addition, a wide variety of disciplinary approaches and levels of analyses and perspectives are employed across the seven studies.

Findings – The findings of the studies included in this special issue touch on retirement planning and decision making, as well as employer perspectives on the global aging workforce.

Practical implications – Each article includes practical implications with regard to retirement for the country and/or constituents examined in the study.

Originality/value – Taken as a collective, the papers in this special issue help to propel forward in significant ways the study of retirement from an international and interdisciplinary perspective.

Keywords Retirement, Decision making, Conditions of employment, Older workers

Paper type Viewpoint

1. Introduction

The population in most developed countries is rapidly aging due to lower birth rates, increased longevity, and the aging of the massive post Second World War baby boom generation (Alley and Crimmins, 2007; OECD, 2006). These demographic shifts that are now taking place will undoubtedly present unique challenges to the sustainability of pension systems in each and every Western country. Extending people's working life is generally seen as a key element in dampening or curtailing the rising costs associated with an ageing population. This ambition puts the issue of retirement not only high on the policy makers' agenda, but also on the agenda of scientific scholars who study



manpower policies and practices. As Ekerdt (2010) recently noted, "The shifting boundary between work and retirement and the always-emergent features of retirement practice create a wide opportunity for scholarship and research" (Ekerdt, 2010, p. 69).

This special issue on the changing nature of retirement aims to add to our knowledge with regard to the driving forces behind older workers retirement decisions and the impediments for extending working lives. To increase our insight into the decisions older workers make at the end of their career, we believe that it is important to acknowledge the importance of several aspects of older workers careers and the implications for current research. We elaborate on these aspects below.

In the first place, the nature of retirement is changing. Although retirement has traditionally been thought of as a discrete and abrupt discontinuation of paid employment, today's "retirement" can be characterized as a process which can take multiple forms (Beehr and Bennett, 2007). While some older workers are affected by processes of disengagement from work and mental withdrawal from their jobs years before they actually retire, others continue to work in retirement. Increasing numbers of older workers continue to extend their working lives through continued career or bridge employment (Wang *et al.*, 2009), many others are in some type of hybrid employment or phased retirement situation, with fewer appearing to be opting for traditional full leisure retirement. The fact that retirement is an increasingly complicated process of labor force withdrawal has direct implications for manpower policies.

A second issue is that the changing nature of retirement processes increases the need for interdisciplinary perspectives on late career. Taking an interdisciplinary focus will enhance our understanding of how retirement is connected to not only the availability of financial resources and health, but also to the work content and environments, the social embeddedness at work and at home, and the psychological processes that precede late career employment and retirement decisions.

Third, for a better understanding of older workers' career decisions we need to incorporate the driving forces of retirement processes at the demand side of the labor market. Employers are key players in defining the opportunities for retirement as well as the opportunities for working longer. As a result, the success of policies aimed at delaying retirement is to a large extent dependent on the actions and attitudes of employers. Thus, it is incumbent on us to better delineate the role that employers play in the late career employment-retirement nexus.

The fourth issue deals with the international variation of retirement contexts and processes. Though, extending the working life of older workers is supported by most governments, the rules and regulations restricting the options for retirement or continued employment are very diverse across nations and cultures. Thus, we are in need of studies that show the impact of national contexts on workers' retirement processes.

Finally, we believe that to gain insight into the organizational practices toward older workers and their retirement processes we will benefit from a broad methodological perspective in empirical research. For example, using qualitative methods such as in-depth interviewing and case study research, in addition to quantitative studies which use large scale survey's and register data we will improve our understanding of the opportunities and restrictions that older workers face in

developing their careers and progressing toward retirement. Thus, in that vein we present seven papers in this special issue that address various aspects of the work and retirement conundrum outlined above.

2. Overview of this special issue

We proposed this special issue in order to examine how the concept of retirement is changing across the globe. Based on the papers submitted, we have selected seven that represent a variety of disciplines, perspectives, countries, and levels of analysis. In this special issue we have papers that examine employers, older workers, and/or retirees from nine different countries (Australia, Canada, Greece, Hungary, Italy, Spain, Sweden, The Netherlands, and the United States). In addition, the collection of papers presented here represent a wide range of disciplines, including economics, sociology, work and organizational psychology, and business and management. Thus, we believe this collection of papers characterizes not only an international perspective, but also a much needed interdisciplinary perspective.

In the first paper, Zaniboni, Sarchielli, and Fraccaroli examined data gathered on 196 public-sector older workers in Italy in order to explore the psychosocial factors that are related to retirement intentions. Using structural equation modeling these authors found that older workers' identity was positively related to full retirement intentions and negatively related to job mobility. In addition, having developmental opportunities on the job were negatively related to the intention to fully retire, whereas the anticipation of lost social integration upon retirement was positively related to engaging in part-time retirement and job mobility. The results of this study have concrete practical implications for retirement preparation and planning programs in terms of the various psychosocial factors that should be explored by both the older worker and the organization.

Next, the paper by Warren and Kelloway examined retirement timing intentions for a sample of 277 older Canadian workers. Using the theory of planned behavior, the authors attempted to predict retirement timing intentions (i.e. planned retirement age) by examining social policy influences and perceived control over retirement decisions, as well as pre and post retirement financial well-being. Perceptions of age and life satisfaction were also examined, as were attitudes toward work and attitudes toward people at work. Finally, intentions to work in a similar job post retirement were also examined. Using structural equation modeling the authors found that their model of retirement intentions was in fact a good fit to their data. Specifically, attitudes toward people at work predicted older workers attitude toward work. In turn, attitudes toward work predicted age and life perceptions. Age and life perceptions then predicted perceived control, which then predicted social policy influences, and finally social policy influences predicted planned retirement age. These results have practical implications for both individuals and organizations. Individuals need to be aware of their perceptions and how they influence retirement intentions, while organizations need to work at implementing work practices and policies (e.g. flexible work schedules) that will create the desired outcomes for organizations.

In the third paper, Henkens and Leenders examined how burnout in 2,892 older Dutch workers and their spouses impacts their intentions to retire early. Their regression analyses indicated that a high workload, heavy physical work, and lack of challenge are all related to perceived burnout on the job. In turn, both perceptions of

burnout, as well as perceived marital quality, impact retirement intentions. Specifically, older Dutch workers who report higher levels of marital quality and higher levels of burnout, report a stronger intention to retire early. These results have practical implications in that it is imperative for both older workers and organizations to examine not just work related factors (e.g. job burnout), but also personal factors such as marital satisfaction in predicting intention with regard to early retirement.

In the fourth paper, Pengcharoen and Shultz examined various work and non-work related factors that influence bridge employment behaviors using longitudinal data over a ten-year period from a sample of 2,869 older workers from the United States Health and Retirement Study (HRS). Using multinomial logistic regression analyses the authors found that adding the work and non-work related factors to a series of demographic characteristics significantly improved the fit of the model in terms of predicting employment status over a ten-year period. Specifically, they found that work related factors of job involvement and schedule flexibility, as well as the nonwork related factors of certainty of retirement plans, attitudes toward retirement, and job seeking self-efficacy all distinguished the various employment statuses (e.g. completely retired, partial retirement, and not retired at all) of older workers over a ten-year period. Thus, these results also have practical implications for both older workers and organizations in terms of the various predictors of employment status at the later part of one's career.

In the fifth paper, Hallberg and Eklöf examined Swedish register data (i.e. the Longitudinal Individual Data – LINDA) from 1992 to 2000 in order to model retirement decisions and the influence that early retirement pension (ERP) offers have on these decisions. Their econometric analyses indicate that early retirement probabilities would decrease depending on year, by 14-28 percent for men and seven to 18 percent for women if ERP offers were absent. These results have strong practical implications for organizations in term of the potential influence that ERPs have on workers' early retirement intentions.

In the final two papers in this special issue, we shift from examining individual level data to examining employer level perspectives. In the sixth paper, van Dalen, Henkens, Henderikse, and Schippers examined whether employers' opinions and expectations regarding workers' retirement age are in line with the ideas of the EU-Member States' governments to increase the participation of older workers and to postpone the transition from paid work into full unpaid retirement. van Dalen *et al.* surveyed over 2,300 employers in total representing five European countries (i.e. Greece, Hungary, Spain, The Netherlands, and the United Kingdom). The results of their survey indicated that most employers, across all five countries, are reluctant to support later retirement. It appears that part of that reluctance is the result of the perception that an aging work force is a burden rather than a boon to organizations. Thus, this study's results have broad implications for both older workers and employers in that there appears to be a wide discrepancy between the aims formulated at the level of European Union and its member countries with respect to stimulating the labor force participation of older workers and the attitudes of individual employers. Specifically, it is clear that individual employers perceive alternative solutions to the challenges of an aging workforce other than delaying retirement by encouraging extended employment of older workers, which is a primary focus of the EU and its member countries' governments.

In the seventh and final paper in this special issue, Taylor, Brooke, McLoughlin, and Di Biase used in-depth qualitative case study procedures interviewing four Australian employers to examine how older workers are perceived. Results of their study indicate that while many managers in Australia were frequently paternalistic toward their older employees, older workers were also devalued as managers tried to balance operational budgets and organizations sought to remain responsive to changing market demands. Thus, the results of this study have strong implications for both older workers and employers. Strong themes identified included the inhibitors of older worker potentiality (e.g. generational clashes between wisdom and up-to-date knowledge), changing physical capacities and organizational requirements, organizational level consequences of an aging workforce, as well as potential mismatch between corporate memory and strategic management.

In summary, the collection of papers in this special issue provides a distinct international and interdisciplinary perspective on contemporary empirical findings on various issues related to retirement. It is also clear that the results presented here are already beginning to address some of the issues outlined by Wang and Shultz (2010) in their recently published extensive review of the retirement literature. In addition, it is our hope that the findings reported here will also stimulate future research in the area of retirement from both an individual and employer level perspective.

Finally, we would like to acknowledge our indebtedness to the numerous reviewers who provided constructive suggestions and feedback for all authors who submitted papers. In particular, the final set of seven papers included in this special issue greatly benefited from the helpful advice of the ad hoc reviewers for this special issue. We also thank the authors of the final set of papers included here for their perseverance and professionalism in responding to the ad hoc reviewers' suggestions and recommendations. We also extend our gratitude to Professor Adrian Zideman, the editor of *IJM*, for his support in approving, and guidance in shepparding, this special issue through the lengthy publication process.

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